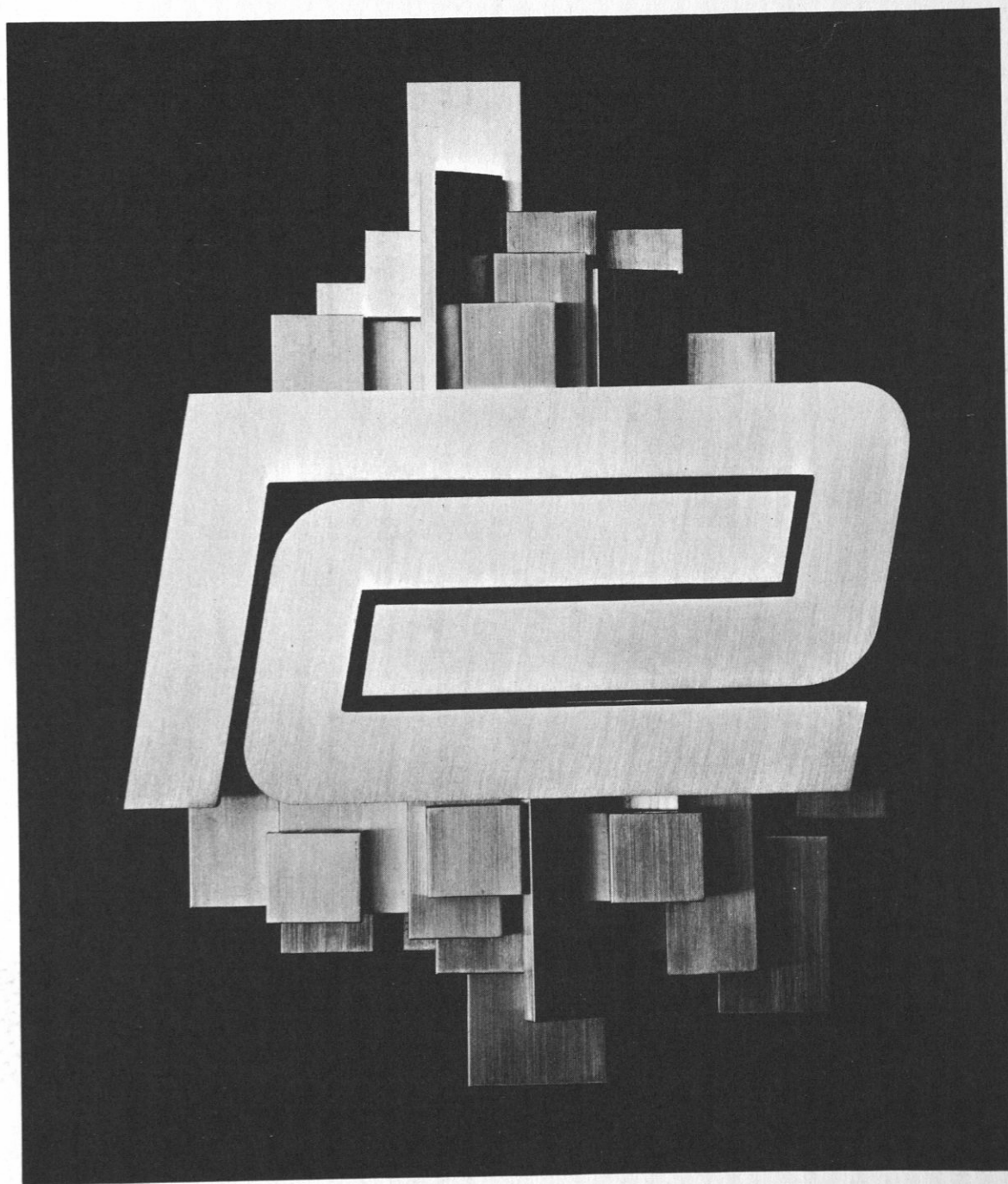


SUPPLEMENT TO THE PENN CENTRAL ANNUAL REPORT 1968



STATISTICAL AND FINANCIAL DATA Selected Companies

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PENN CENTRAL COMPANY

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PENN CENTRAL COMPANY

STATEMENT OF INCOME

(Parent Company Only)

		Year Ended December 31		Increase or Decrease
		1968	1967	
Railway Operating Revenues	Freight.....	\$1,251,815,628	\$1,213,736,072	I. \$38,079,556
	Passenger.....	105,087,068	115,086,837	D. 9,999,769
	Mail.....	62,334,063	76,026,120	D. 13,692,057
	Express.....	14,569,633	18,133,602	D. 3,563,969
	All other transportation.....	30,383,442	29,792,990	I. 590,452
	Incidental.....	47,428,569	52,141,035	D. 4,712,466
	Joint Facility.....	4,618,612	4,083,015	I. 535,597
	Total.....	1,516,237,015	1,508,999,671	I. 7,237,344
Railway Operating Expenses	Maintenance of way and structures.....	173,066,224	161,205,069	I. 11,861,155
	Maintenance of equipment.....	254,488,775	259,810,473	D. 5,321,698
	Traffic.....	25,167,253	26,626,557	D. 1,459,304
	Transportation.....	719,791,203	708,776,343	I. 11,014,860
	Miscellaneous Operations.....	10,506,541	12,073,787	D. 1,567,246
	General.....	84,876,203	67,869,921	I. 17,006,282
	Total.....	1,267,896,199	1,236,362,150	I. 31,534,049
	Net Revenues from Railway Operations.....	248,340,816	272,637,521	D. 24,296,705
Tax Accruals	Federal income taxes.....	Cr. 18,366,525	Cr. 7,631,371	D. 10,735,154
	Other railway taxes.....	47,558,183	49,178,345	D. 1,620,162
	Payroll taxes.....	76,850,405	73,387,283	I. 3,463,122
	Total.....	106,042,063	114,934,257	D. 8,892,194
	Railway Operating Income.....	142,298,753	157,703,264	D. 15,404,511
	Hire of Equipment—Debit Balance.....	169,612,934	144,809,927	I. 24,803,007
	Joint Facility Rents—Credit Balance.....	321,303	774,056	D. 452,753
	Net Railway Operating Income (Loss).....	(26,992,878)	13,667,393	D. 40,660,271
Other Income And (Expenses)	Dividend income.....	50,197,489	40,597,172	I. 9,600,317
	Interest income.....	5,420,461	4,920,337	I. 500,124
	Income from non-operating property.....	16,824,471	15,174,286	I. 1,650,185
	Miscellaneous rent income.....	9,961,589	9,590,528	I. 371,061
	Profit on sales of property and securities—(net).....	35,436,924	16,756,085	I. 18,680,839
	Miscellaneous tax accruals.....	(1,157,071)	(1,184,794)	D. (27,723)
	Separately operated properties—(net).....	(2,954,697)	(916,608)	I. (2,038,089)
	Miscellaneous rents.....	(906,825)	(935,461)	D. (28,636)
	Maintenance of investment organization.....	(962,185)	(875,478)	I. (86,707)
	Income from lease of road and equipment.....	345,395	363,887	D. 18,492
	Revenue from miscellaneous operations.....	273,183	343,033	D. 69,850
	Expenses of miscellaneous operations.....	(163,426)	(225,554)	D. (62,128)
	Income transferred to other companies.....	(103,956)	(257,927)	D. (153,971)
	Other.....	7,123,235	(1,115,809)	I. 8,239,044
	Total.....	119,334,587	82,233,697	I. 37,100,890
	Income Available for Fixed Charges.....	92,341,709	95,901,090	D. 3,559,381
Fixed Charges	Rent for leased roads and equipment.....	26,327,205	25,044,709	I. 1,282,496
	Interest on funded debt.....	65,412,484	57,439,546	I. 7,972,938
	Interest on unfunded debt.....	3,046,171	1,643,802	I. 1,402,369
	Amortization of discount on funded debt.....	328,536	305,811	I. 22,725
	Total.....	95,114,396	84,433,868	I. 10,680,528
	Ordinary Income (Loss).....	(2,772,687)	11,467,222	D. 14,239,909
	Extraordinary Charge for Costs and Losses Incurred Upon Merger.....	—	275,421,985	D. 275,421,985
	Net Income (Loss).....	(2,772,687)	(263,954,763)	I. 261,182,076

STATEMENT OF RETAINED INCOME

	1968	1967
Balance, Beginning of year, as previously reported.....	\$827,361,537	\$1,142,510,226
Prior period adjustment*.....	(39,141,910)	(35,283,929)
Adjusted balance.....	788,219,627	1,107,226,297
Net income (Loss) for the year.....	(2,772,687)	(263,954,763)
Dividends.....	55,400,359	55,051,907
Balance, end of year.....	730,046,581	788,219,627

Note: On February 1, 1968 the New York Central Railroad Company was merged into the Pennsylvania Railroad Company and the Corporate name has been changed to Penn Central Company. For accounting purposes the merger is treated as "pooling of interest" and the Financial Statements give effect to the Merger for all periods presented.

* Penn Central Company, in reporting results of operations to the Interstate Commerce Commission, reflects this prior period charge of \$39,141,910 as a reduction of net income in 1968 in accordance with the accounting regulations of the Commission.

PENN CENTRAL COMPANY
BALANCE SHEET
(Parent Company Only)

ASSETS

	December 31, 1968	December 31, 1967	Increase or Decrease
Current Assets:			
Cash and temporary cash investments	\$46,915,110	\$79,479,020	D. \$32,563,910
Loans and notes receivable	1,812,180	7,200,628	D. 5,388,448
Net balance receivable from agents and conductors	75,666,810	57,984,758	I. 17,682,052
Miscellaneous accounts receivable	44,985,550	50,372,232	D. 5,386,682
Interest and dividends receivable	3,836,682	2,848,519	I. 988,163
Accrued accounts receivable	113,910,273	83,407,786	I. 30,502,487
Working fund advances	934,372	1,074,349	D. 139,977
Prepayments	1,992,797	1,257,527	I. 735,270
Material and supplies	79,510,068	80,181,304	D. 671,236
Other	6,254,514	5,670,801	I. 583,713
Total Current Assets	375,818,356	369,476,924	I. 6,341,432
Special Funds:			
Capital funds	2,989,727	7,125,936	D. 4,136,209
Insurance and Other Funds	22,147,155	22,915,322	D. 768,167
Total Special Funds	25,136,882	30,041,258	D. 4,904,376
Investments:			
Investments in Affiliated Companies:			
Stocks	804,584,699	777,558,455	I. 27,026,244
Bonds	26,987,613	26,504,896	I. 482,717
Other Secured Obligations	1,750,000	1,750,000	—
Notes	2,827,335	12,212,892	D. 9,385,557
Advances	303,020,393	292,973,755	I. 10,046,638
Other Investments:			
Stocks	32,029,831	1,632,544	I. 30,397,287
Bonds	1,067,624	996,247	I. 71,377
Other secured obligations	478,714	538,696	D. 59,982
Notes	10,519,661	284,661	I. 10,235,000
Advances	37,849	37,849	—
Total Investments	1,183,303,719	1,114,489,995	I. 68,813,724
New Haven, net assets acquired at cost	127,544,307	—	I. 127,544,307
Properties:			
Road and Equipment Property:			
Road	1,656,136,514	1,638,070,856	I. 18,065,658
Equipment	1,741,842,665	1,813,249,448	D. 71,406,783
Other property accounts	Cr. 17,651,629	Cr. 23,735,290	D. 6,083,661
Improvements on Leased Property:			
Road	261,196,028	259,832,853	I. 1,363,175
Equipment	3,605,702	3,137,289	I. 468,413
Other property accounts	4,854,626	4,854,626	—
Total Transportation Property	3,649,983,906	3,695,409,782	D. 45,425,876
Accrued depreciation—road	Cr. 398,905,423	Cr. 402,341,246	D. 3,435,823
Accrued depreciation—equipment	Cr. 507,833,651	Cr. 583,886,088	D. 76,052,437
Accrued amortization of defense projects—road	Cr. 24,984,391	Cr. 25,059,755	D. 75,364
Accrued amortization of defense projects—equipment	Cr. 20,656,827	Cr. 24,392,950	D. 3,736,123
Total Depreciation and Amortization	Cr. 952,380,292	Cr. 1,035,680,039	D. 83,299,747
Total Transportation Property less recorded Depreciation and Amortization	2,697,603,614	2,659,729,743	I. 37,873,871
Miscellaneous Physical Property	90,541,289	87,112,631	I. 3,428,658
Accrued depreciation—miscellaneous physical property	Cr. 39,655,581	Cr. 37,885,770	I. 1,769,811
Total Miscellaneous Property less Recorded Depreciation	50,885,708	49,226,861	I. 1,658,847
Total Properties less Recorded Depreciation and Amortization	2,748,489,322	2,708,956,604	I. 39,532,718
Other Assets and Deferred Charges:			
Other assets	16,673,752	17,692,426	D. 1,018,674
Unamortized discount on long term debt	1,380,060	1,502,687	D. 122,627
Other deferred charges	35,003,664	17,026,161	I. 17,977,503
Total Other Assets and Deferred Charges	53,057,476	36,221,274	I. 16,836,202
Total Assets	4,513,350,062	4,259,186,055	I. 254,164,007

Note: Substantially all of the properties of the New York, New Haven and Hartford Railroad Company were acquired on December 31, 1968. As it is not possible, without further study, to make a final allocation of the purchase price to the various assets acquired, these net assets are reflected in the balance sheet in total. Operations of the New Haven properties will be included in the results of Penn Central Company commencing January 1, 1969.

PENN CENTRAL COMPANY
BALANCE SHEET
(Parent Company Only)

LIABILITIES AND SHAREHOLDERS' EQUITY

	December 31, 1968	December 31, 1967	Increase or Decrease
Current Liabilities:			
Loans and notes payable	\$87,419,537	\$36,913,099	I. \$50,506,438
Traffic and car-service balances	3,711,300	20,266,611	D. 16,555,311
Audited accounts and wages payable	31,532,637	33,900,979	D. 2,368,342
Miscellaneous accounts payable	19,033,619	21,555,216	D. 2,521,597
Interest matured unpaid	6,708,990	6,658,481	I. 50,509
Dividends matured unpaid	112,116	5,718,169	D. 5,606,053
Unmatured interest accrued	12,801,152	12,461,329	I. 339,823
Unmatured dividends declared	153,646	—	I. 153,646
Accrued accounts payable	219,311,187	172,694,782	I. 46,616,405
Federal Income taxes accrued	187,256	765,071	D. 577,815
Other taxes accrued	36,454,124	37,363,553	D. 909,429
Other	17,695,533	19,275,320	D. 1,579,787
Total Current Liabilities	435,121,097	367,572,610	I. 67,548,487
Long Term Debt Due Within One Year:			
Bonds	6,486,000	6,122,000	I. 364,000
Equipment Trust Certificates	15,779,960	14,126,000	I. 1,653,960
Equipment—Conditional Sale or Deferred payment contracts	49,318,108	44,359,635	I. 4,958,473
Loan Agreement	2,400,000	2,400,000	—
Miscellaneous obligations	2,731,719	1,927,382	I. 804,337
Total Long Term Debt Due Within One Year	76,715,787	68,935,017	I. 7,780,770
Long Term Debt Due After One Year:			
Bonds	684,819,450	706,595,650	D. 21,776,200
Equipment trust certificates	100,132,760	109,555,000	D. 9,422,240
Equipment—Conditional sale or Deferred payment contracts	386,196,972	356,272,523	I. 29,924,449
Loan Agreement	30,400,000	32,800,000	D. 2,400,000
Eurodollar Credit Agreement	50,000,000	—	I. 50,000,000
Revolving Credit Notes	100,000,000	—	I. 100,000,000
Commercial Paper Notes	50,000,000	—	I. 50,000,000
Miscellaneous obligations	6,060,677	20,940,644	D. 14,879,967
Total Long Term Debt Due After One Year	1,407,609,859	1,226,163,817	I. 181,446,042
Casualty and Other Allowances:			
Pension and Welfare Reserve	7,300,000	—	I. 7,300,000
Insurance	17,377,934	16,015,249	I. 1,362,685
Injuries, Loss and Damage	47,707,815	48,265,720	D. 557,905
Cost incurred upon Merger:			
Removal and disposal of obsolete property	24,877,831	26,236,211	D. 1,358,380
Recalled labor	94,468,147	116,928,000	D. 22,459,853
Other	9,417,138	8,028,868	I. 1,388,270
Total Casualty and Other Allowances	201,148,865	215,474,048	D. 14,325,183
Other Liabilities and Deferred Credits:			
Amounts payable to affiliated companies	122,581,800	92,148,226	I. 30,433,574
Other liabilities	29,297,915	30,116,663	D. 818,748
Unamortized premium on long term debt	82,143	92,709	D. 10,566
Other deferred credits	27,730,602	23,405,800	I. 4,324,802
Accrued depreciation—Leased property	173,904,948	183,607,847	D. 9,702,899
Total Other Liabilities and Deferred Credits	353,597,408	329,371,245	I. 24,226,163
Contingent Liabilities—See Below			
Shareholders' Equity:			
Capital Stock \$10 par value, authorized 27,000,000 shares, issued 24,085,329 shares (1967—23,016,274)	240,853,290	230,162,740	I. 10,690,550
Capital Surplus	1,068,257,175	1,033,286,951	I. 34,970,224
Retained Income	730,046,581	788,219,627	D. 58,173,046
Total Shareholders' Equity	2,039,157,046	2,051,669,318	D. 11,512,272
Total Liabilities and Shareholders' Equity	4,513,350,062	4,259,186,055	I. 254,164,007

Contingent Liabilities—The Company has contingent liabilities, not included as liabilities in the balance sheet, aggregating \$462,145,000 as of December 31, 1968, as guarantor of the obligations of companies in which the Company has an interest. \$197,182,000 of the contingent obligations have been entered into jointly or jointly and severally with other companies.

In addition there are other contingent liabilities indeterminate in amount, in respect to taxes, personal injuries, property damage, purchase agreements and other matters.

PENN CENTRAL COMPANY

OPERATING REVENUES

ACCOUNTS	1968	1967	Increase or Decrease
Transportation			
Freight.....	\$1,251,815,628	\$1,213,736,072	I. \$38,079,556
Passenger.....	105,087,068	115,086,837	D. 9,999,769
Mail.....	62,334,063	76,026,120	D. 13,692,057
Express.....	14,569,633	18,133,602	D. 3,563,969
Baggage.....	193,292	218,121	D. 24,829
Sleeping car.....	2,269,995	2,623,023	D. 353,028
Parlor and chair car.....	735,327	761,243	D. 25,916
Other passenger train.....	4,408,295	4,337,113	I. 71,182
Milk.....	4,623	9,302	D. 4,679
Switching.....	22,561,115	21,251,543	I. 1,309,572
Water transfers.....	210,795	592,645	D. 381,850
	1,464,189,834	1,452,775,621	I. 11,414,213
Incidental			
Dining and buffet.....	5,126,318	6,250,302	D. 1,123,984
Station, train and boat privileges.....	2,421,110	2,515,455	D. 94,345
Storage—Freight.....	602,313	622,458	D. 20,145
Demurrage.....	15,334,268	17,893,303	D. 2,559,035
Grain elevator.....	481,910	529,069	D. 47,159
Power.....	1,703,926	1,794,445	D. 90,519
Rents of buildings and other property.....	6,067,065	6,565,370	D. 498,305
Miscellaneous.....	15,691,659	15,970,633	D. 278,974
	47,428,569	52,141,035	D. 4,712,466
Joint Facility			
Joint facility—Credit.....	6,093,972	5,964,970	I. 129,002
Joint facility—Debit.....	1,475,360	1,881,955	D. 406,595
	4,618,612	4,083,015	I. 535,597
Total.....	1,516,237,015	1,508,999,671	I. 7,237,344

PENN CENTRAL COMPANY

OPERATING RESULTS BY SERVICES

FREIGHT SERVICE

	1968	1967	1966	1965	1964
Operating Revenues:					
Freight.....	\$1,251,815,628	\$1,214,693,072	\$1,248,543,527	\$1,221,557,237	\$1,171,256,031
All Other Transportation.....	29,475,855	25,463,149	25,479,053	23,525,590	22,791,550
Incidental and Joint Facility Revenues.....	36,965,560	39,157,515	44,792,861	40,729,336	39,987,336
Total.....	1,318,257,043	1,279,313,736	1,318,815,441	1,285,812,163	1,234,034,917
Operating Expenses:					
Maintenance of Way and Structures.....	149,634,344	136,428,697	136,187,735	130,463,986	127,952,073
Maintenance of Equipment.....	190,050,764	190,110,714	190,287,248	186,258,746	188,390,923
Traffic.....	22,120,895	23,595,877	22,757,733	22,249,598	20,772,359
Transportation.....	574,532,715	545,279,543	547,154,749	538,543,423	528,036,216
Miscellaneous Operations.....	1,013,281	1,248,582	1,359,052	944,441	1,357,878
General.....	66,493,436	52,740,420	53,167,241	52,215,040	53,546,659
Total.....	1,003,845,435	949,403,833	950,913,758	930,675,234	920,056,108
Net Revenue from Railway Operations.....	314,411,608	329,909,903	367,901,683	355,136,929	313,978,809
Railway Tax Accruals.....	80,324,155	88,254,515	71,781,628	78,423,734	79,237,266
Railway Operating Income.....	234,087,453	241,655,388	296,120,055	276,713,195	234,741,543
Hire of Equipment—Debit Balance.....	160,676,541	138,380,850	121,064,390	121,243,346	111,006,492
Joint Facility Rents—Debit Balance.....	218,379	59,222	Cr. 74,737	1,540,064	1,594,397
Net Railway Operating Income.....	73,192,533	103,215,316	175,130,402	153,929,785	122,140,654
Ratio of Total Operating Expenses to Total Operating Revenues.....	76.15%	74.21%	72.10%	72.38%	74.56%

PASSENGER SERVICE

	1968	1967	1966	1965	1964
Operating Revenues:					
Passenger.....	\$105,087,068	\$114,961,837	\$129,661,193	\$134,494,316	\$142,576,667
Mail.....	59,596,819	74,953,454	84,352,160	84,414,809	87,009,414
Express.....	10,578,906	15,551,911	17,992,394	21,787,781	20,944,183
All Other Transportation.....	7,635,558	7,984,198	8,106,994	7,969,880	9,905,503
Incidental and Joint Facility Revenues.....	13,963,835	15,958,421	17,456,459	18,038,710	18,738,318
Total.....	196,862,186	229,409,821	257,569,200	266,705,496	279,174,085
Operating Expenses:					
Maintenance of Way and Structures.....	23,390,462	24,739,219	25,237,605	25,329,950	25,922,525
Maintenance of Equipment.....	64,450,637	69,699,759	70,123,098	74,063,303	76,186,437
Traffic.....	3,046,358	3,030,680	3,557,620	3,825,952	4,002,474
Transportation.....	145,415,220	160,447,160	165,524,570	166,030,077	167,495,237
Miscellaneous Operations.....	8,328,627	9,672,276	11,159,080	11,331,957	10,855,651
General.....	18,382,767	15,129,501	15,203,724	15,061,659	15,933,549
Total.....	263,014,071	282,718,595	290,805,697	295,642,898	300,395,873
Net Revenue from Railway Operations.....	Def. 66,151,885	Def. 53,308,774	Def. 33,236,497	Def. 28,937,402	Def. 21,221,788
Railway Tax Accruals.....	25,686,922	26,452,029	24,837,836	24,878,404	25,263,845
Railway Operating Income.....	Def. 91,838,807	Def. 79,760,803	Def. 58,074,333	Def. 53,815,806	Def. 46,485,633
Hire of Equipment—Debit Balance.....	8,936,393	6,429,077	5,751,028	4,424,580	2,606,670
Joint Facility Rents—Debit Balance.....	Cr. 537,220	Cr. 833,278	Cr. 2,420,708	Cr. 295,539	Cr. 175,041
Net Railway Operating Income.....	Def. 100,237,980	Def. 85,356,602	Def. 61,404,653	Def. 57,944,847	Def. 48,917,262
Ratio of Total Operating Expenses to Total Operating Revenues.....	133.60%	123.24%	112.90%	110.85%	107.60%

PENN CENTRAL COMPANY

SECURITIES OWNED

December 31, 1968

NAME OF COMPANY	Shares	Carried on Books at	Dividend or Interest Income—1968
Investment in Affiliated Companies:			
Stocks:			
American Contract Co.	10,000	\$500,000	\$1,450,000
Baltimore & Eastern R.R. Co.	16,830	1	*
Battle Creek & Sturgis Ry. Co.	825	1	*
Beech Creek R.R. Co.	95,010	3,459,072	*
Belt Ry. Co. of Chicago	2,400	200,000	*
Boston Terminal Corp.	3	617,821	*
Calumet Western Ry. Co.	1,080	108,000	*
Canada Southern Ry. Co.	18,100	1,019,314	*
Canadian Pacific Car and Passenger Tfr. Co., Ltd.	500	50,000	*
Central Indiana Ry. Co.	600	1	*
Cherry Tree & Dixonville R.R. Co.	10,000	500,000	*
Chicago, Kalamazoo and Saginaw Ry. Co.	1,800	1,800	*
Chicago River and Indiana R.R. Co.	5,000	750,000	*
Chicago Union Station Co.	7,000	700,000	*
Cincinnati Union Terminal Co., common	5,000	500,000	30,000
Clearfield Bituminous Coal Corp.	16,500	82,200	800,000
Cleveland & Pittsburgh R.R. Co., guaranteed	63,284	5,510,788	*
Cleveland & Pittsburgh R.R. Co., special guaranteed betterment	459,227	21,739,916	*
Cleveland & Pittsburgh R.R. Co., refunding and improvement	525,000	26,250,000	*
Cleveland, Cincinnati, Chicago & St. Louis Ry. Co., common	467,797	44,488,683	*
Cleveland, Cincinnati, Chicago & St. Louis Ry. Co., common scrip	86	320	*
Cleveland, Cincinnati, Chicago & St. Louis Ry. Co., preferred	90,260	8,930,036	*
Cleveland Technical Center, Inc.	1,000	1,000	90,000
Cleveland Union Terminals Co.	71	7,100	*
Connecting Ry. Co.	21,562	9,125,950	*
Dayton Union Ry. Co.	3,530	353,000	*
Delaware R.R. Co.	172,489	5,868,433	*
Despatch Shops, Inc.	60,000	3,100,000	*
Detroit Terminal R.R. Co.	5,000	500,000	*
Detroit, Toledo & Milwaukee R.R. Co.	5,300	1	*
Elmira & Williamsport R.R. Co., common	8,938	444,601	*
Elmira & Williamsport R.R. Co., preferred	8,620	595,482	*
Erie & Pittsburgh R.R. Co., guaranteed	27,527	1,911,451	*
Erie & Pittsburgh R.R. Co., special betterment	58,663	4,089,950	*
Fairport, Painesville & Eastern Ry. Co.	250	1,000,000	5,000
Fort Wayne Union Ry. Co.	400	40,000	*
Fruit Growers Express Co.	23,238	2,389,400	*
Green Real Estate Co.	103,089	1,605,267	*
Hudson River Bridge Co. at Albany	5,000	500,000	*
Illinois Northern Ry.	600	120,451	*
Illinois Terminal R.R. Co.	182	1,818	*
Indiana Harbor Belt R.R. Co.	15,960	1,596,000	*
Lake Erie & Pittsburgh Ry. Co.	43,000	4,300,000	*
Lakefront Dock and Railroad Terminal Co.	46,250	4,625,000	*
Lansing Manufacturers R.R.	500	50,000	*
Lansing Transit Ry. Co.	10	1,000	*
Lehigh Valley R.R. Co., common	1,475,579	7,619,055	2,765
Little Miami R.R. Co., original	6,912	601,085	1,696,120
Mahoning Coal R.R. Co., common	24,241	3,744,839	27,770
Mahoning Coal R.R. Co., preferred	11,108	555,986	*
Mahoning State Line R.R. Co.	58	2,900	*
Manor Real Estate Co.	40,000	2,000,000	2,362,500
Merchants Despatch Transportation Corp.	78,750	2,777,845	*
Michigan Central R.R. Co.	187,146	31,534,633	*
Monongahela Ry. Co.	41,633 1/2	1,597,594	*
New York & Harlem R.R. Co., common	163,587	26,022,363	*
New York & Harlem R.R. Co., preferred	26,591	4,473,482	*
New York & Long Branch R.R. Co.	20,000	2,000,000	1,000,000
New York Central Development Corp.	100	1,000	*
New York Central Transport Co.	100	1,000	*
New York Connecting R.R. Co.	15,000	1,524,909	*
Niagara Junction Ry. Co.	5,000	501,974	*
Nicholas, Fayette & Greenbrier R.R. Co.	37,359	3,921,451	*
Northern Central Ry. Co.	503,661	33,063,952	*
Owasco River Ry.	150	37,500	*
Penn Central Park, Inc.	20,000	1,909,667	*
Pennndel Co.	2,885	59,206,612	*
Pennndiana Improvement Corp.	1,000	100,000	*
Pennsylvania & Atlantic R.R. Co.	22,157	1	*
Pennsylvania Co., common	4,985,000	118,278,014	24,000,000
Pennsylvania-Reading Seashore Lines, common	34,966	1	*

PENN CENTRAL COMPANY

SECURITIES OWNED—(Continued)

December 31, 1968

NAME OF COMPANY	Shares	Carried on Books at	Dividend or Interest Income—1968
Investments in Affiliated Companies (Continued):			
Stocks (Continued):			
Pennsylvania-Reading Seashore Lines, preferred	13,333	\$ 1	\$ 73,448
Pennsylvania Truck Lines, Inc., common	17,282	297,667	9,000
Pennsylvania Truck Lines, Inc., preferred	1,500	150,000	*
Pennsylvania Tunnel & Terminal R.R. Co.	450,000	20,000,002	72,475
Peoria & Eastern Ry. Co.	29,906	2,040,270	*
Peoria & Pekin Union Ry. Co.	834	92,574	*
Philadelphia & Trenton R.R. Co.	1,432	301,984	*
Philadelphia, Baltimore & Washington R.R. Co.	519,500	72,797,021	4,341,010
Pittsburgh and Lake Erie R.R. Co.	656,272	57,097,080	*
Pittsburgh, Fort Wayne & Chicago Ry. Co., common	1,141,560	119,006,983	*
Pittsburgh, Fort Wayne & Chicago Ry. Co., preferred	47,069	7,797,835	*
Pittsburgh, Youngstown & Ashtabula Ry. Co., common	3	300	*
Pittsburgh, Youngstown & Ashtabula Ry. Co., preferred	732	95,321	*
Potomac Public Service Co., Voting Tr. Ctf., common	850	1	*
Pullman Co.	112,653	1,307,807	*
Railway Express Agency, Inc.	460,872	22,200	44,987
Richmond, Fredericksburg & Potomac R.R. Co., dividend obligations	4,859	718,500	677,407
Richmond-Washington Co.	4,450	445,000	*
St. Lawrence & Adirondack Ry. Co.	16,150	1,213,662	*
Shamokin Valley & Pottsville R.R. Co.	4,996	333,319	*
Strick Holding Co.	91,700	15,000,000	*
Terminal Realty Penn Co.	100	11,700,000	*
Toledo Terminal R.R. Co.	11,616	3	201,200
Toronto, Hamilton and Buffalo Ry. Co.	20,120	702,680	*
Trailer Train Co.	1,000	534,840	*
United New Jersey R.R. & Canal Co.	111,793	25,737,862	*
Waynesburg Southern R.R. Co.	175,000	175,000	396,695
Western Warehousing Co.	2,000	200,500	4,338
West Jersey & Seashore R.R. Co., common	132,326	7,431,843	4,565
West Jersey & Seashore R.R. Co., special guaranteed	1,446	92,280	15,000
Wilkes-Barre Connecting R.R. Co.	1,826	91,300	12,604,671
Zanesville Terminal R.R. Co.	1,500	91,144	*
Dividends on stocks held as lessee		804,584,699	49,908,951
Bonds:			
Beech Creek R.R. Co., 4%, matured July 1, 1936	4,593,000	4,593,000	*
Beech Creek R.R. Co., 5%, matured July 1, 1936	1,000,000	1,000,000	*
Canada Southern Ry. Co., 5%, matured October 1, 1962	10,055,000	10,055,000	*
Cleveland & Pittsburgh R.R. Co., general and refunding mortgage, 3%, Series "C"	270,000	230,175	9,504
Cleveland, Cincinnati, Chicago and St. Louis Ry. Co. Refunding and improvement mortgage—Series "E", 4 1/2 %, due July 1, 1977	3,819,000	2,407,578	*
First Collateral Trust, 4%, St. Louis Div., due Nov. 1, 1990	133,000	128,597	4,417
Connecting Ry. Co. First Mortgage 3 1/2 %, Series "A"	295,000	258,950	38,520
Elmira & Williamsport R.R. Co., First Mortgage 4%	963,000	823,365	19,624
Elmira & Williamsport R.R. Co., Income Mortgage 5%	393,500	384,899	*
Indianapolis Union Ry. Co., refunding and improvement mortgage—2 1/2 %, Series "C"	200,000	156,000	1,140
Lehigh Valley R.R. Co., general consolidated mortgage 4%, Series "D"	3,169,000	1,196,479	*
Lehigh Valley R.R. Co., general consolidated mortgage 4 1/2 %, Series "E"	1,607,500	646,580	*
Lehigh Valley R.R. Co., general consolidated mortgage 5%, Series "F"	1,353,000	587,667	138,540
Monongahela Ry. Co., First mortgage 6%, Series "B"	2,309,000	2,309,000	*
New York & Harlem R.R. Co. Mortgage Bonds 4% Series "A"	12,000	7,680	*
New York & Harlem R.R. Co. Mortgage Bonds 4% Series "B"	768,000	497,170	16,070
New York & Harlem R.R. Co. Mortgage Bonds 4% Series "C"	398,000	398,000	675
New York & Long Branch R.R. Co., consolidated mortgage 4%, Series "B"	15,000	9,427	675
Pennsylvania & New York Canal & R.R. Co., gen. mtg. 4 1/2 %, Series "C"	15,000	14,325	34,150
Philadelphia, Baltimore & Washington R.R. Co., gen. mtg. 5%, Series "A"	683,000	687,538	16,750
Pittsburgh, Cincinnati, Chicago & St. Louis R.R. Co., gen. mtg. 5%, Series "B"	335,000	333,425	3,050
Pittsburgh, Cincinnati, Chicago & St. Louis R.R. Co., gen. mtg. 5%, Series "D"	61,000	61,000	6,440
Pittsburgh, Cincinnati, Chicago & St. Louis R.R. Co., gen. mtg. 3 1/2 %, Series "E"	246,000	201,758	*
	32,693,000	26,987,613	289,555
Other Secured Obligations:			
Penn Towers, Inc. Note	1,750,000	1,750,000	*

* Dividends or interest waived under lease agreements.

PENN CENTRAL COMPANY
SECURITIES OWNED—(Continued)
December 31, 1968

NAME OF COMPANY	Par Value	Carried on Books at	Dividend or Interest Income—1968
Unsecured Notes			
Railway Express Agency, Inc.	\$2,775,892	\$2,775,892	\$138,795
Toledo Terminal R.R. Co.	51,443	51,443	
	2,827,335	2,827,335	138,795
Other Investments:			
Stocks:	Shares		
Lehigh & Hudson River Ry. Co.	6,776	350,718	27,104
Madison Square Garden Corp., Common	1,168,664	12,946,460	
Madison Square Garden Corp., Preferred	100,000	12,750,778	
New Gauley Coal Corp., common	5,229	390,324	16,929
New Gauley Coal Corp., preferred	4,836,825	10,000	
New York Business Development Corp.	100	871,483	99,060
Raritan River R.R. Co., preferred	49,530	1	570
Stewartstown R.R. Co. of Pennsylvania	190	4,700,000	
Strick, Inc. & Transport Pool Corp.—Stock Warrants		10,067	169
Miscellaneous		32,029,831	143,832
Bonds:	Par Value		
Greater Erie Industrial Development Corp., 2½%, Deb.	150,000	150,000	
Kalamazoo, Allegan & Grand Rapids R.R. Co.	835,200	835,200	
United States Government Securities	44,000	42,377	2,231
Witco Chemical Corp.	40,000	40,000	25
Miscellaneous	47	47	
	1,069,247	1,067,624	2,256
Other Secured Obligations:			
Cadillac and Lake City Ry. Co. Note	37,770	37,770	2,269
Eldred Van & Storage Co.	3,352	3,352	246
John W. Hechinger & Richard England, Note	193,621	193,621	11,862
National Refrigerated Terminals, Inc., Note	154,813	154,813	8,065
Stainless Processing Co.	75,000	75,000	1,460
State Lumber Co.	894	894	
Samuel Sudler and David S. Steiner, Note	13,264	13,264	865
	478,714	478,714	24,767
Unsecured Notes:			
Eidco, Inc.	100,000	100,000	1,356
Moore's Super Stores, Inc.	64,530	64,530	4,135
St. Mary's Building Corp., Agreement	162,260	162,260	10,035
Strick, Inc.	6,776,000	6,776,000	
Transport Pool Corp.	2,661,000	2,661,000	
University of Pennsylvania	700,000	700,000	
Miscellaneous	55,871	55,871	325
	10,519,661	10,519,661	15,851
Loans and Notes Receivable:			
J. M. Clausen & S. A. Benham, Owners	884,100	884,100	
Excelsior Truck Leasing Co., Inc.	806,688	806,688	
Miscellaneous	121,392	121,392	2,217
	1,812,180	1,812,180	2,217

PENN CENTRAL COMPANY
ANNUAL MATURITIES OF LONG TERM DEBT
Including Obligations of Leased Lines
(Based on Amounts Outstanding December 31, 1968)

(Amounts in 000)

YEAR	PENN CENTRAL		LEASED LINES	TOTAL
	Equipment Obligations	Bonds and Other Debt	Bonds and Other Debt	
1969	\$65,098	\$11,618	\$2,644	\$79,360
1970	60,735	138,952	21,211	220,898
1971	54,394	8,046	2,645	65,085
1972	52,609	8,599	2,644	63,852
1973	46,618	114,889	18,064	179,571
1974	41,728	7,775	32,416	81,919
1975	37,010	4,050	68,426	109,486
1976	32,130	4,023	12,710	48,863
1977	30,171	3,916	48,804	82,891
1978	28,991	8,918	9,655	47,564
1979	28,015	3,845	28,746	60,606
1980	21,909	12,407	1,000	35,316
1981	14,258	47,251	1,000	62,509
1982	12,018	2,721	1,000	15,739
1983	7,327	2,693	1,000	11,020
1984	5,472	34,389	1,000	40,861
1985	5,472	72,300	1,000	78,772
1986	5,472	5,193	1,000	11,665
1987	1,000	1,169	1,000	3,169
1988	1,000	1,145	1,000	3,145
1989	—	1,127	1,015	2,142
1990	—	2,439	2,412	4,851
1991	—	2,229	28,771	31,000
1993	—	4,892	31,496	36,388
1994	—	18,287	—	18,287
1997	—	119,393	942	120,335
1998	—	96,992	—	96,992
2013	—	156,874	—	156,874
All Other Years	—	36,763	10,070	46,833

Includes debt issued or assumed upon acquisition of New York, New Haven and Hartford Railroad Company.

PENN CENTRAL COMPANY

BONDS AND OTHER FUNDED DEBT OF LEASED LINES OF PENN CENTRAL COMPANY

December 31, 1968

NAME OF COMPANY AND ISSUE	Interest rate (%)	PRINCIPAL AMOUNT		
		Total Outstanding	Held By	
			Penn Central	Subsidiary Companies
Battle Creek & Sturgis Ry. Co. First Mortgage Bonds, due December 1, 1989.	3%	\$15,000		
The Cleveland, Cincinnati, Chicago & St. Louis Ry. Co. Refunding and Improvement Mortgage Bonds, Series "E", due July 1, 1977.	4½	38,543,000	\$3,819,000	\$54,000
St. Louis Division, First Collateral Trust Mortgage Bonds, due November 1, 1990.	4	1,545,000	133,000	390,000
Cincinnati, Wabash and Michigan Division Mortgage Bonds, due July 1, 1991.	4	2,771,000		27,000
General Mortgage Gold Bonds, Series "A", due June 1, 1993.	4	27,394,000		92,000
General Mortgage Gold Bonds, Series "B", due June 1, 1993.	5	4,102,000		
Cleveland & Pittsburgh R.R. Co. General and Refunding Mortgage Bonds, Series "C", due October 1, 1974.	3	5,734,000	270,000	
Connecting Ry. Co. First Mortgage Bonds, Series "A", due March 1, 1976.	3½	7,778,000	295,000	
Pennsylvania, Ohio & Detroit R.R. Co. First and Refunding Mortgage Bonds, Series "E", due October 1, 1975.	2½	25,240,000	566,000	
Elmira & Williamsport R.R. Co.				
First Mortgage Bonds, Extended, due January 1, 1990.	4	963,000	963,000	
Income Bonds, due October 1, 1982.	5	549,000	393,500	
Kalamazoo, Allegan and Grand Rapids Railroad Company				
First Mortgage Bonds due July 1, 1998.	5	835,200	835,200	
The Michigan Central Railroad Company Refunding and Improvement Mortgage Bonds, Series "C", due January 1, 1979.	4½	9,337,000		
The New York & Harlem Railroad Company				
Gold Mortgage Bonds, due May 1, 2000.	3½	2,874,000		730,000
Mortgage Bonds, Series "A", due June 1, 2043.	4	470,000	12,000	36,000
Mortgage Bonds, Series "B", due June 1, 2043.	4	7,350,000	768,000	1,211,375
Northern Central Ry. Co.				
General and Refunding Mortgage Bonds:				
Series "A", due March 1, 1974.	4½	6,431,000		
Series "A", due March 1, 1974.	5	8,300,000		
Mortgage to State of Maryland (Annuity).	\$90,000*	1,500,000#		
Ground Rents.		87,285		
Pennsylvania Tunnel & Terminal R.R. Co. Note.	4.90	48,000,000		
Philadelphia & Trenton R.R. Co. Ground Rents.		1,200		
Philadelphia, Baltimore & Washington R.R. Co.				
General Mortgage Bonds:				
Series "B", due February 1, 1974.	5	10,000,000		
Series "C", due July 1, 1977.	4½	11,301,000	15,000	
Series "E", due October 1, 1978.	3	9,679,000		
Series "F", due May 1, 1979.	3½	14,139,000		
Ground Rents.		137,544		
Pittsburgh, Cincinnati, Chicago & St. Louis Railroad Company				
General Mortgage Bonds:				
Series "A", due June 1, 1970.	5	20,000,000	1,433,000	
Series "B", due April 1, 1975.	5	26,000,000	335,000	
Series "D", due August 1, 1975.	5	6,503,000	3,354,000	3,149,000
Series "E", due October 1, 1975.	3½	17,137,000	361,000	
Pittsburgh, Ft. Wayne & Chicago Ry. Co. Ground Rents.		5,340		
Pittsburgh, Youngstown & Ashtabula Ry. Co.				
First General Mortgage Bonds:				
Series "C", due June 1, 1974.	5	1,197,000		
Series "D", due June 1, 1977.	4½	1,485,000		
The St. Lawrence and Adirondack Railway Co.				
First Mortgage Bonds, due June 1, 1996.	5	590,000		
Second Mortgage Bonds, due October 1, 1996.	6	352,000		4,000
Union R.R. Co. of Baltimore Ground Rents.		28,870		
United New Jersey R.R. & Canal Co.				
General Mortgage Bonds:				
Due February 1, 1973.	4½	1,824,000		
Due October 1, 1973.	3	6,487,000		
Due March 1, 1976.	2¾	5,669,000		
Due September 1, 1979.	4½	6,020,000		
New York Bay R.R. Co. First Mortgage Bonds, Series "A", due October 1, 1973.	3¾	8,609,000		
Total		346,983,439	13,552,700	5,693,375

* Per annum.

Amount at which annuity is capitalized on books.

Note: Excludes leased lines of former New York, New Haven and Hartford Railroad Company.

PENN CENTRAL COMPANY

CAPITAL STOCK OF LEASED LINES OF PENN CENTRAL COMPANY

December 31, 1968

NAME OF COMPANY	Shares Outstanding	Shares Held By	
		Penn Central	Subsidiary Companies
Battle Creek & Sturgis Railway Company	5,000	825	4,175
Beech Creek Railroad Company	120,000	95,010	1,000
Canada Southern Railway Company	150,000	18,100	89,163
Central Railroad Company of Indianapolis	600		
Chicago, Kalamazoo and Saginaw Railway Company	4,500	1,800	2,700
Cleveland, Cincinnati, Chicago and St. Louis Railway Company:			
Preferred	99,985	90,213	
Common	470,288	467,797	
Cleveland and Pittsburgh Railroad Company:			
Guaranteed	224,583	63,284	
Special Guaranteed Betterment	556,445	459,227	
Original	205		
Refunding and Improvement	525,000	525,000	
Connecting Railway Company	82,333	21,562	60,771
Delaware Railroad Company	203,131	172,489	
Detroit Manufacturers' Railroad	3,000		2,444
Detroit River Tunnel Company	30,000		30,000
Detroit, Toledo & Milwaukee Railroad Company	10,600	5,300	5,300
Erie and Kalamazoo Railroad Company	5,845		
Elmira and Williamsport Railroad Company:			
Preferred	10,000	8,620	
Common	10,000	8,938	
Erie and Pittsburgh Railroad Company:			
Guaranteed	40,000	27,527	
Special Betterment	58,663	58,663	
Fort Wayne and Jackson Railroad Company:			
Preferred	22,914	380	491
Common	4,361		1,328
Hudson River Bridge Company at Albany	5,000	5,000	
Joliet and Northern Indiana Railroad Company	3,000		3,000
Kalamazoo, Allegan and Grand Rapids Railroad Company	6,100		
Lansing Manufacturers Railroad	1,000	500	500
Lansing Transit Railway Company	20	10	10
Little Miami Railroad Company:			
Special Guaranteed Betterment	156,534		126,687
Refunding	121,400		121,400
Capital	132,470	6,912	76,130
Mahoning Coal Railroad Company:			
Preferred	13,227	11,108	
Common	30,000	24,241	138
Mahoning and Shenango Valley Company	2,400		2,400
Michigan Central Railroad Company	187,364	187,146	
New York and Harlem Railroad Company:			
Preferred	26,879	26,591	
Common	173,121	163,587	
Niagara River Bridge Company	7,000		7,000
North Brookfield Railroad Company	1,000		
Northern Central Railway Company	628,675	503,661	
Pennel Company	2,885	2,885	
Pennsylvania Tunnel and Terminal Railroad Company	450,000	450,000	
Philadelphia and Trenton Railroad Company	12,591	1,432	8,173
Philadelphia, Baltimore and Washington Railroad Company:			
Capital—6%	596,759	319,500	277,259
Capital—5%	200,000	200,000	
Pittsburgh, Fort Wayne and Chicago Railway Company:			
Preferred	196,949	47,069	
Guaranteed Special	1,810		
Guaranteed	184		
Common	1,143,838	1,141,560	
Pittsburgh, Youngstown & Ashtabula Railway Company:			
Preferred	90,892	732	67,960
Common	21,000	3	20,997
St. Lawrence & Adirondack Railway Company	16,150	16,150	
Shamokin Valley and Pottsville Railroad Company	17,389	4,996	12,393
Troy and Greenbush Railroad Association	5,500		
Union Railroad Company of Baltimore	21,000		21,000
United New Jersey Railroad and Canal Company	212,404	111,793	3,159

Note: Excludes leased lines of former New York, New Haven and Hartford Railroad Company.

PENN CENTRAL COMPANY
FREIGHT AND PASSENGER SERVICE STATISTICS

		1968	1967
FREIGHT SERVICE			
Average Miles of Road Operated		18,900	19,029
Freight Revenue		\$1,251,815,628	\$1,214,693,072
Tons	Revenue	286,126,976	310,836,962
	Nonrevenue	3,757,719	3,852,095
	Total	289,884,695	314,689,057
Net Ton Miles	Revenue	86,560,694,000	89,630,497,000
	Nonrevenue	624,744,000	640,479,000
	Total	87,185,438,000	90,270,976,000
Car Miles	Loaded	2,046,856,163	2,166,679,843
	Empty	1,441,077,227	1,510,080,674
	Total (Including Caboose and other)	3,540,217,009	3,728,259,399
Gross Ton Miles—Cars and Contents		189,060,138,000	195,657,919,000
Freight Train Miles		45,046,387	46,611,912
Train Hours		2,615,635	2,656,792
Average Per Mile of Road			
Freight Revenue		\$ 66,234	\$ 63,834
Net Ton Miles	Revenue	4,579,931	4,710,205
	Revenue and Nonrevenue	4,612,986	4,743,863
Freight Train Miles		2,383	2,450
Average Per Train Mile			
Freight Revenue		\$ 27.79	\$ 26.06
Net Ton Miles	Revenue	1,922	1,923
	Revenue and Nonrevenue	1,935	1,937
Loaded Car Miles		45.4	46.5
Empty Car Miles		32.0	32.4
Total Car Miles (Including Caboose and other)		78.6	80.0
Miscellaneous Averages			
Revenue Per Ton		\$ 4.38	\$ 3.91
Revenue Per Ton Mile (cents)		1.446	1.355
Revenue Tons Per Loaded Car		42.3	41.4
Miles Per Revenue Ton		302.5	288.4
Percent of Loaded To Total Car Miles		57.8	58.1
Gross Ton Miles Per Train Hour (Excluding Locomotives)		72.281	73,644
Net Ton Miles Per Train Hour (Revenue and Nonrevenue)		33,332	33,977
Car Miles Per Car Day (Excluding Caboose)		37.0	37.9
Net Ton Miles Per Car Day (Revenue and Nonrevenue)		925	930
PASSENGER SERVICE			
Average Miles of Road Operated		5,377	5,450
Interline and Local Passenger Revenue		\$ 77,597,021	\$ 89,087,901
Commutation Passenger Revenue		27,490,047	25,873,936
Total Passenger Revenue		\$ 105,087,068	\$ 114,961,837
Passenger Service Train Revenue		\$ 188,000,643	\$ 219,666,306
Coach Passengers Carried		28,998,815	30,248,024
Sleeping and Parlor Car Passengers Carried		601,467	792,976
Commutation Passengers Carried		36,514,274	34,979,493
Total Revenue Passengers Carried		66,114,556	66,020,493
Total Revenue Passenger Miles		2,470,823,525	2,696,841,627
Passenger Train Miles		26,395,199	29,795,378
Passenger Train Car Miles		232,898,268	296,489,756
Passenger Carrying Car Miles		109,852,933	129,415,891
Average Per Mile of Road			
Passenger Revenue		\$ 19,544	\$ 21,094
Passenger Service Train Revenue		\$ 34,964	\$ 40,306
Revenue Passenger Miles		459,517	494,833
Passenger Train Miles		4,909	5,467
Average Per Train Miles			
Passenger Revenue		\$ 3.98	\$ 3.86
Passenger Service Train Revenue		\$ 7.12	\$ 7.37
Revenue Passenger Miles		94	91
Passenger Carrying Car Miles		4.2	4.3
Passenger Train Car Miles		8.8	9.8
Miscellaneous Averages			
Revenue Per Passenger		\$ 1.59	\$ 1.74
Revenue Per Passenger Mile (cents)		4.253	4.263
Revenue Passenger Miles Per Car Mile		22	21
Miles Per Revenue Passenger		37.4	40.8

PENN CENTRAL COMPANY
RETURN ON INVESTMENT IN PROPERTY USED IN RAILWAY TRANSPORTATION SERVICE. (INCLUDES PROPERTIES OF LEASED LINES)

Year	*Investment less Recorded Depreciation December 31	Net Railway Operating Income (Deficit)	Average Rate of Return
1964	\$3,892,174,067	\$67,524,758	1.74%
1965	4,062,178,460	95,851,056	2.41%
1966	4,192,268,162	107,102,881	2.60%
1967	4,091,892,619	17,525,374	0.42%
1968	4,118,384,040	(26,992,878)	—

* Includes material, supplies and cash.

OPERATING RATIO
(Total Operating Expenses Per Cent. of Total Operating Revenues)

Year	Maintenance of Way and Structures	Maintenance of Equipment	Transportation	Other	Total
1964	10.16	17.47	45.92	7.11	80.66
1965	10.03	16.75	45.34	6.88	79.00
1966	10.23	16.50	45.17	6.88	78.78
1967	10.68	17.22	46.97	7.06	81.93
1968	11.41	16.78	47.47	7.96	83.62

MILES OF ROAD OPERATED BY STATES AND PROVINCES*
December 31, 1968

State or Province	LINE OWNED			LINES OPERATED			Totals
	Main	Branch Lines	Proprietary Companies	Lease	Contract	Trackage Rights	
Connecticut	453.42	126.69	1.83	53.27			635.21
Delaware				236.84		1.95	236.84
District of Columbia				11.08		189.15	13.03
Illinois	10.95	123.79	182.45	696.41	122.74	200.71	1,325.49
Indiana	152.47	213.83	116.12	2,281.25	78.80	0.69	3,043.18
Kentucky			4.28	1.36		9.79	6.33
Maryland		13.96	85.63	342.69	3.66	19.09	455.73
Massachusetts	507.87	212.58		110.70		62.44	850.24
Michigan		238.81	396.48	1,147.57		18.05	1,845.30
Missouri		22.89	56.98	272.86		47.82	18.05
New Jersey		1,561.26	180.77	274.48		145.64	400.55
New York	643.61	701.80	56.96	2,296.90	37.19	377.12	2,805.76
Ohio	242.96	2,186.02	256.34	727.94		297.39	3,712.93
Pennsylvania	766.20	42.78		33.70			4,233.89
Rhode Island	59.89		75.78			5.15	136.37
Virginia		138.87	30.54	60.46		145.23	80.93
West Virginia				281.42		2.82	375.10
Ontario				46.56		24.18	284.24
Quebec							70.74
Total	2,837.37	5,583.28	1,444.16	8,875.49	242.39	1,547.22	20,529.91

* Note: Includes New Haven Region.

PENN CENTRAL COMPANY

REVENUE FREIGHT TRAFFIC BY MAJOR COMMODITY CLASSIFICATIONS

COMMODITY	TONS				GROSS REVENUE			
	1968	Per Cent. of Total	1967	Per Cent. of Total	1968	Per Cent. of Total	1967	Per Cent. of Total
Farm, Forest and Fishery Products:								
Grain.....	5,661,790	1.98	6,845,357	2.20	\$24,037,929	1.82	\$26,889,478	2.11
Fruits and vegetables, fresh.....	2,223,143	.78	2,597,710	.84	21,875,258	1.65	24,363,051	1.91
Livestock.....	177,915	.06	224,517	.07	2,761,203	.21	3,608,333	.28
All other.....	928,664	.33	1,038,935	.33	7,371,167	.56	7,394,768	.58
Total.....	8,991,512	3.15	10,706,519	3.44	56,045,557	4.24	62,255,630	4.88
Mineral Products:								
Metallic ores.....	25,611,445	8.97	27,780,420	8.94	53,346,985	4.03	55,660,800	4.36
Anthracite coal.....	2,479,499	.87	2,760,525	.89	4,295,756	.33	5,083,637	.40
Bituminous coal.....	93,560,878	32.75	109,686,184	35.29	191,263,489	14.45	199,712,390	15.64
Sand, gravel and stone.....	10,960,493	3.84	12,237,902	3.93	21,984,104	1.66	22,354,872	1.75
All other.....	4,122,245	1.44	4,732,509	1.52	13,027,427	.98	13,239,359	1.04
Total.....	136,734,560	47.87	157,197,540	50.57	283,917,761	21.45	296,051,058	23.19
Manufactures and Miscellaneous:								
Meat and packing house products.....	1,150,570	.40	1,145,267	.37	21,337,149	1.61	20,401,581	1.60
Grain products and feed.....	7,672,602	2.69	8,403,806	2.70	37,447,536	2.83	36,816,087	2.88
Other food and kindred products.....	10,270,417	3.59	10,783,851	3.47	79,113,182	5.98	77,798,867	6.10
Lumber and wood products.....	6,624,656	2.32	6,683,826	2.15	36,928,041	2.79	34,867,216	2.73
Pulp, paper and printed matter.....	13,797,707	4.83	13,952,236	4.49	78,190,461	5.91	74,897,367	5.87
Chemicals, rubber and plastics.....	16,240,743	5.69	17,007,427	5.47	109,571,747	8.28	106,017,749	8.31
Refined petroleum products.....	2,177,654	.76	2,425,259	.78	13,624,935	1.03	13,861,822	1.09
Stone, clay and glass products.....	13,612,132	4.76	14,067,673	4.53	54,482,372	4.12	52,698,523	4.13
Coke.....	4,775,162	1.67	5,139,611	1.65	15,265,472	1.15	15,456,055	1.21
Iron and steel including scrap.....	34,280,781	12.00	34,297,182	11.03	168,732,138	12.75	154,479,488	12.10
Machinery and appliances.....	3,741,681	1.31	3,950,989	1.27	53,036,777	4.01	53,594,093	4.20
Motor vehicles and tires.....	11,023,576	3.86	10,121,406	3.26	158,034,192	11.94	129,330,172	10.13
Other metals, metal equipment and scrap.....	6,817,237	2.39	7,245,742	2.33	55,651,987	4.21	55,790,209	4.37
Freight Forwarder traffic.....	1,119,893	.39	1,179,313	.38	21,111,403	1.60	20,692,017	1.62
Other Association and mixed traffic.....	3,337,417	1.17	3,204,610	1.03	45,698,588	3.45	39,923,423	3.13
All other—durable goods.....	1,259,180	.44	1,146,899	.37	21,219,072	1.60	17,605,381	1.38
All other—non-durable goods.....	1,987,097	.70	2,163,550	.70	13,398,300	1.01	13,312,848	1.04
Total.....	139,888,505	48.97	142,918,647	45.98	982,843,352	74.27	917,542,898	71.89
Grand Total, Carload Traffic.....	285,614,577	99.99	310,822,706	99.99	1,322,806,670	99.96	1,275,849,586	99.96
All Less Carload Freight.....	19,239	.01	15,157	.01	581,443	.04	513,607	.04
Grand Total, Carload and Less Carload Freight.....	285,633,816	100.00	310,837,863	100.00	\$1,323,388,113	100.00	\$1,276,363,193	100.00

Note: The tonnage statistics in 1967 include slight duplication because of traffic handled between the former New York Central Railroad and Pennsylvania Railroad Companies.

PENN CENTRAL COMPANY

TRAIN, LOCOMOTIVE AND CAR MILE STATISTICS

CLASSIFICATION	1968	1967	Increase or Decrease
TRAIN MILES			
Freight:			
Diesel locomotives.....	41,685,904	43,059,255	D. 1,373,351
Electric locomotives.....	3,360,483	3,552,657	D. 192,174
Total—Freight Train Miles.....	45,046,387	46,611,912	D. 1,565,525
Passenger:			
Diesel locomotives.....	14,001,101	17,221,997	D. 3,220,896
Electric locomotives.....	5,725,443	6,069,560	D. 344,117
Motorcars.....	6,668,655	6,503,821	I. 164,834
Total—Passenger Train Miles.....	26,395,199	29,795,378	D. 3,400,179
Total Transportation Service.....	71,441,586	76,407,290	D. 4,965,704
LOCOMOTIVE UNIT-MILES			
Freight:			
Road service.....	132,407,836	140,718,001	D. 8,310,165
Train switching.....	8,136,471	8,566,615	D. 430,144
Yard switching.....	40,361,989	38,361,994	I. 1,999,995
Total—Freight Locomotive Unit-Miles.....	180,906,296	187,646,610	D. 6,740,314
Passenger:			
Road service.....	38,874,141	48,088,193	D. 9,214,042
Train switching.....	9,331	8,306	I. 1,025
Yard switching.....	2,053,374	2,628,278	D. 574,904
Total—Passenger Locomotive Unit-Miles.....	40,936,856	50,724,777	D. 9,787,921
Total Transportation Service.....	221,843,152	238,371,387	D. 16,528,235
CAR MILES			
Freight Trains:			
Loaded cars.....	2,046,856,163	2,166,677,843	D. 119,821,680
Empty cars.....	1,441,077,227	1,510,080,674	D. 69,003,447
Caboose and other.....	52,283,619	51,500,882	I. 782,737
Total—Car miles in freight trains.....	3,540,217,009	3,728,259,399	D. 188,042,390
Passenger Trains:			
Motorcars.....	21,459,657	21,502,654	D. 42,997
Coaches.....	62,123,015	68,634,597	D. 6,511,582
Combination cars (mail, express, or baggage with passenger).....	915,299	1,542,028	D. 626,729
Sleeping and parlor cars.....	25,812,611	38,507,626	D. 12,695,015
Dining, club and lounge cars.....	8,886,597	14,071,336	D. 5,184,739
Head-end cars.....	110,075,135	148,206,649	D. 38,131,514
Other cars.....	3,625,954	4,024,866	D. 398,912
Total—Car miles in passenger trains.....	232,898,268	296,489,756	D. 63,591,488
Total Transportation Service.....	3,773,115,277	4,024,749,155	D. 251,633,878

PENN CENTRAL COMPANY

EQUIPMENT IN SERVICE

	December 31, 1967		1968		December 31, 1968	
	Owned and Used	Leased	Installed*	Retired	Owned and Used	Leased
Locomotive Units						
Diesel—Freight.....	729	254	378	142	638	581
Passenger.....	225	11		26	203	7
Multiple Purpose.....	621	220	217	68	731	259
Switching.....	1,468	361	165	255	1,354	385
Total.....	3,043	846	760	491	2,926	1,232
Electric—Freight.....	48	66	13	7	54	66
Passenger.....	106			1	105	
Multiple Purpose.....			10		10	
Switching.....	19			8	11	
Total.....	173	66	23	16	180	66
Freight Train Cars						
Box.....	43,666	25,501	10,846	12,270	41,378	26,365
Hopper.....	45,290	22,562	871	2,884	43,927	21,912
Gondola.....	29,293	12,936	5,607	5,590	30,208	12,038
Flat.....	5,588	627	512	288	5,819	620
Rack.....		1,997	5	4		1,998
Stock.....	397	93		53	361	76
Tank.....	49				49	
Container.....	384	150	8	123	274	145
Caboose.....	1,975	95	424	302	2,085	107
Total.....	126,642	63,961	18,273	21,514	124,101	63,261
Passenger Train Cars						
Not Self Propelled						
Coaches.....	576	135	295	47	825	134
Combination Passenger.....	8		15	3	20	
Sleeping & Parlor.....	93	4	178	107	166	2
Dining & Club.....	99	13	34	23	108	15
Baggage, Express and Mail.....	2,469	651	264	560	2,046	778
Total.....	3,245	803	786	740	3,165	929
Self Propelled						
Electric.....	505	145	185	17	673	145
Diesel.....	19		45		64	
Total.....	524	145	230	17	737	145
Company Service Rail Equipment						
	4,820	319	807	692	5,127	127
Marine Equipment						
Tug Boats.....	24	7	5	9	17	10
Barges, Car Floats, and Miscellaneous equipment.....	408	8	32	186	254	8
Total.....	432	15	37	195	271	18

* Includes acquisition of New Haven equipment on December 31, 1968.

PENNSYLVANIA COMPANY AND CONSOLIDATED SUBSIDIARIES

SUMMARY OF CONSOLIDATED EARNINGS AND RETAINED EARNINGS

		Year Ended December 31	
		1968	1967
Current Earnings Income	Operating profit of transportation and real estate subsidiaries.....	\$64,090,000	\$43,475,000
	Dividends, interest and other income.....	49,941,000	38,250,000
	Total Income.....	114,031,000	81,725,000
Fixed Charges and Other Deductions	Interest and debt expense.....	16,482,000	16,253,000
	Federal income taxes.....	4,523,000	810,000
	Minority interest in income of subsidiaries.....	5,891,000	3,101,000
	Total Fixed Charges and Other Deductions.....	26,896,000	20,164,000
NET EARNINGS	For the Year.....	87,135,000	61,561,000
Retained Earnings	From prior years.....	286,653,000	253,857,000
	Total Available.....	373,788,000	315,418,000
	Dividends—Preferred.....	3,265,000	3,265,000
	—Common.....	24,000,000	25,500,000
	Total Dividends.....	27,265,000	28,765,000
	Total Retained Earnings.....	\$346,523,000	\$286,653,000

CONDENSED CONSOLIDATED BALANCE SHEET

		December 31	
		1968	1967
Assets	Cash and temporary cash investments.....	\$15,652,000	\$11,792,000
	Other current assets.....	62,347,000	43,297,000
	Investments and advances.....	390,969,000	329,310,000
	Real estate companies—properties held for development or resale, at cost.....	141,414,000	135,022,000
	Properties, less accumulated depreciation.....	494,869,000	489,077,000
	Other assets and deferred charges.....	6,018,000	5,915,000
	Investment in consolidated subsidiaries in excess of net assets.....	96,015,000	95,636,000
	Total Assets.....	\$1,207,284,000	\$1,110,049,000
Liabilities	Current liabilities.....	\$44,586,000	\$43,492,000
	Debt due within one year.....	67,416,000	29,400,000
	Long term debt.....	336,092,000	348,467,000
	Other liabilities and deferred credits.....	89,144,000	83,769,000
	Minority interest in subsidiaries.....	82,279,000	75,650,000
	Net assets of consolidated subsidiaries in excess of investment.....	46,036,000	47,403,000
	Total Liabilities.....	665,553,000	628,181,000
Shareholders' Equity	Preferred stock—\$100 par value Authorized: 730,000 shs., issued 705,825 shs. (705,898 in 1967).....	70,583,000	70,590,000
	Common stock—\$25 par value Authorized: 5,600,000 shs., issued 4,985,000 shs.....	124,625,000	124,625,000
	Retained earnings.....	346,523,000	286,653,000
	Total Shareholders' Equity.....	541,731,000	481,868,000
	Total Liabilities and Shareholders' Equity.....	\$1,207,284,000	\$1,110,049,000

Note: Pennsylvania Company and its consolidated subsidiaries are included in the consolidated financial statements of Penn Central Company.

PENNSYLVANIA COMPANY CONSOLIDATED

December 31, 1968

CONSOLIDATED SUBSIDIARIES

	Percent of Control
Company:	
Arvida Corporation*	59%
Buckeye Pipe Line Co.*	100
Connecting Ry. Co.	74
Little Miami R. R. Co.	79
Pittsburgh, Youngstown & Ashtabula Ry. Co.	80
Detroit, Toledo & Ironton R. R. Co.	99
Ann Arbor R. R. Co.	99
Manistique & Lake Superior R. R. Co.	100
DTI Enterprises, Inc.	100
Delaware Car Leasing Co.	60
DTB Corp.	60
General Car Leasing Co.	60
Greencar Corp.	60
Pennsylvania Car Leasing Co.	60
Great Southwest Corp.*	80
Macco Corporation*	99

* Includes wholly owned subsidiaries.

CONSOLIDATED INVESTMENTS AND ADVANCES

	Shares	Carried on Books at
Stocks:		
Akron & Barberton Belt R. R. Co.	250	\$25,000
Akron Union Passenger Depot	500	50,000
Everglades Pipe Line Co.	1,640	164,000
Great Southwest R. R. Co.	688	83,000
Illinois Northern Ry. Co.	600	115,000
Montour R. R. Co.	51,000	6,385,000
Norfolk & Western Ry. Co.	1,407,732	78,962,000
Norfolk & Western Ry. Co. with exchange rights	480,000	62,400,000
Philadelphia, Baltimore & Washington R. R. Co.	277,259	37,223,000
Pullman Co.	118,298	3,312,000
Toledo, Peoria & Western R. R. Co.	45,000	5,575,000
Trailer Train Co.	500	120,000
University Park, Inc.	750	75,000
Wabash R. R. Co.—common	595,255	3,292,000
Wabash R. R. Co.—preferred	101,836	3,838,000
West Jersey & Seashore R. R. Co.	65,758	3,378,000
Zanesville Terminal R. R. Co.	1,500	91,000
Miscellaneous	—	1,577,000
		206,665,000
Bonds and Notes:	Par Value	
Lehigh Valley R. R. Co.	\$3,172,000	2,180,000
Mortgages, contracts and notes—real estate	128,931,000	128,931,000
Penn Central Company	7,469,000	7,486,000
Philadelphia, Baltimore & Washington R. R. Co.	3,149,000	3,149,000
Miscellaneous	3,493,000	2,398,000
		144,144,000
Advances and Other		
Equity in real estate joint ventures		20,123,000
American Contract Co.		18,205,000
Penn Central Company		1,089,000
Property replacement and other fund deposits		486,000
Great Southwest R. R. Co.		122,000
Miscellaneous		135,000
		40,160,000
Total Investments and Advances		\$390,969,000

ARVIDA CORPORATION AND SUBSIDIARIES

SUMMARY OF CONSOLIDATED EARNINGS AND RETAINED EARNINGS

		Year Ended December 31	
		1968	1967
Current Earnings Income	Sales of real estate	\$15,244,000	\$11,786,000
	Operating revenues and other income	5,966,000	5,040,000
	Interest and miscellaneous income	1,941,000	1,879,000
	Total Income	23,151,000	18,705,000
Costs and Expenses	Cost of property sold	10,201,000	9,258,000
	Operating and other expenses	7,514,000	6,284,000
	Interest and debt expenses	1,051,000	1,097,000
	Total Costs and Expenses	18,766,000	16,639,000
Earnings	Before Federal income tax	4,385,000	2,066,000
	Federal income tax	1,950,000	1,006,000
NET EARNINGS	For the Year	2,435,000	1,060,000
Retained Earnings	From prior years	3,676,000	2,616,000
	Total Retained Earnings	\$6,111,000	\$3,676,000

CONDENSED CONSOLIDATED BALANCE SHEET

		December 31	
		1968	1967
Assets	Cash and temporary cash investments	\$5,498,000	\$3,740,000
	Accounts, rents and interest receivable	1,570,000	1,307,000
	Mortgage notes and contracts receivable	24,249,000	18,532,000
	Real estate held for development and resale	60,714,000	65,693,000
	Operating property, less accumulated depreciation	17,607,000	8,641,000
	Investment in 50% owned subsidiary	3,233,000	3,406,000
	Deferred charges and other assets	2,087,000	1,917,000
	Total Assets	\$114,958,000	\$103,236,000
Liabilities	Accounts payable and accrued expenses	\$3,105,000	\$2,924,000
	Debt due within one year	3,246,000	3,207,000
	Long term debt due after one year	32,516,000	25,142,000
	Deferred credits	6,133,000	4,664,000
	Total Liabilities	45,000,000	35,937,000
Shareholders' Equity	Common stock—\$1 par value	6,022,000	5,985,000
	Auth.: 8,550,000 shs., issued 6,021,913 shs. (5,984,513 in 1967)	57,825,000	57,638,000
	Additional paid-in capital	6,111,000	3,676,000
	Retained earnings	69,958,000	67,299,000
	Total Shareholders' Equity	\$114,958,000	\$103,236,000
	Total Liabilities and Shareholders' Equity	\$114,958,000	\$103,236,000

Note: Arvida Corporation and its subsidiaries are included in the consolidated financial statements of Pennsylvania Company.

BUCKEYE PIPE LINE COMPANY AND SUBSIDIARY

SUMMARY OF CONSOLIDATED EARNINGS AND RETAINED EARNINGS

		Year Ended December 31	
		1968	1967
Current Earnings Income	Transportation revenues.....	\$34,741,000	\$32,156,000
	Interest and other income.....	1,007,000	372,000
	Total Income.....	35,748,000	32,528,000
Expenses	Operating expenses.....	19,352,000	16,901,000
	Interest and debt expenses.....	3,062,000	2,219,000
	Total Expenses.....	22,414,000	19,120,000
Earnings	Before income taxes.....	13,334,000	13,408,000
	Federal income taxes.....	(478,000)	(196,000)
NET EARNINGS	For the Year.....	13,812,000	13,604,000
Retained Earnings	From prior years.....	44,018,000	37,038,000
	Total Available.....	57,830,000	50,642,000
	Dividends—Preferred.....	590,000	324,000
	—Common.....	6,300,000	6,300,000
	Total dividends.....	6,890,000	6,624,000
	Total Retained Earnings.....	\$50,940,000	\$44,018,000

CONDENSED CONSOLIDATED BALANCE SHEET

		December 31	
		1968	1967
Assets	Cash and temporary cash investments.....	\$1,326,000	\$6,449,000
	Other current assets.....	10,117,000	9,219,000
	Investments and advances.....	499,000	642,000
	Properties, less accumulated depreciation.....	146,713,000	135,729,000
	Other assets.....	522,000	515,000
	Total Assets.....	\$159,177,000	\$152,554,000
Liabilities	Current liabilities.....	\$8,806,000	\$11,204,000
	Debt due within one year.....	5,383,000	5,258,000
	Long term debt due after one year.....	63,566,000	60,946,000
	Reserves and deferred credits.....	4,101,000	4,757,000
	Total Liabilities.....	81,856,000	82,165,000
Shareholders' Equity	Preferred stock—\$100 par value Authorized: 250,000 shares, issued 100,000 shares, 5.9%.....	10,000,000	10,000,000
	Common stock—no par value.....		
	Authorized and issued: 14,000 shares.....	14,177,000	14,177,000
	Capital surplus.....	2,204,000	2,194,000
	Retained earnings.....	50,940,000	44,018,000
	Total Shareholders' Equity.....	77,321,000	70,389,000
	Total Liabilities and Shareholders' Equity.....	\$159,177,000	\$152,554,000

Note: Buckeye Pipe Line Company and its subsidiary are included in the consolidated financial statements of Pennsylvania Company.

DETROIT, TOLEDO & IRONTON RAILROAD COMPANY

SUMMARY OF EARNINGS AND RETAINED EARNINGS

		Year Ended December 31	
		1968	1967
Current Earnings Income	Railway operating revenues.....	\$28,527,000	\$25,106,000
	Nonoperating income—net.....	1,068,000	431,000
	Total Income.....	29,595,000	25,537,000
Expenses	Railway operating expenses.....	20,452,000	18,841,000
	Taxes other than Federal income.....	2,199,000	1,932,000
	Equipment and joint facility rents—net.....	2,462,000	2,037,000
	Interest on debt.....	1,577,000	1,729,000
	Total Expenses.....	26,690,000	24,539,000
NET EARNINGS	For the Year.....	2,905,000	998,000
Retained Earnings	From prior years.....	25,843,000	24,845,000
	Total Available.....	28,748,000	25,843,000
	Dividends.....	736,000	—
	Total Retained Earnings.....	\$28,012,000	\$25,843,000

CONDENSED BALANCE SHEET

		December 31	
		1968	1967
Assets	Cash and temporary cash investments.....	\$2,749,000	\$764,000
	Other current assets.....	10,255,000	9,522,000
	Investments and advances.....	9,594,000	9,534,000
	Properties, less accumulated depreciation.....	71,325,000	73,939,000
	Other assets and deferred charges.....	920,000	519,000
	Total Assets.....	\$94,843,000	\$94,278,000
Liabilities	Current liabilities.....	\$9,929,000	\$8,919,000
	Debt due within one year.....	2,692,000	2,746,000
	Long term debt due after one year.....	28,999,000	31,935,000
	Reserves, deferred credits and other liabilities.....	678,000	302,000
	Total Liabilities.....	42,298,000	43,902,000
Shareholders' Equity	Common stock—\$100 par value Authorized and issued: 245,336 shares less 3 shares in Treasury.....	24,533,000	24,533,000
	Retained earnings.....	28,012,000	25,843,000
	Total Shareholders' Equity.....	52,545,000	50,376,000
	Total Liabilities and Shareholders' Equity.....	\$94,843,000	\$94,278,000

Note: Detroit, Toledo & Ironton Railroad Company is included in the consolidated financial statements of Pennsylvania Company.

GREAT SOUTHWEST CORPORATION AND CONSOLIDATED SUBSIDIARIES
SUMMARY OF CONSOLIDATED EARNINGS AND RETAINED EARNINGS

		Year Ended December 31	
		1968	1967
Current Earnings Income	Sales.....	\$81,847,000	\$35,825,000
	Operating revenues.....	23,405,000	18,794,000
	Net earnings from joint ventures.....	2,381,000	972,000
	Interest and other income.....	2,741,000	600,000
	Total Income.....	110,374,000	56,191,000
Costs and Expenses	Cost of sales and selling expenses.....	56,276,000	24,119,000
	Operating and other expenses.....	24,504,000	17,889,000
	Interest and debt expenses.....	3,880,000	2,775,000
	Total Costs and Expenses.....	84,660,000	44,783,000
Earnings	Before income taxes and extraordinary items.....	25,714,000	11,408,000
	Federal and state income taxes.....	12,018,000	3,019,000
	Earnings before extraordinary items.....	13,696,000	8,389,000
	Extraordinary items, less applicable federal and state income taxes.....	6,292,000	—
	For the year.....	19,988,000	8,389,000
NET EARNINGS Retained Earnings	From prior years.....	14,217,000	6,082,000
	Conversion cost of common stock acquired and retired.....	(250,000)	—
	Total Available.....	33,955,000	14,471,000
	Dividends—Preferred.....	541,000	254,000
	—Common.....	1,151,000	—
	Total Dividends.....	1,692,000	254,000
	Total Retained Earnings.....	\$32,263,000	\$14,217,000

CONDENSED CONSOLIDATED BALANCE SHEET

		December 31	
		1968	1967
Assets	Cash.....	\$4,721,000	\$2,277,000
	Receivables.....	119,542,000	32,995,000
	Inventories and prepayments.....	1,116,000	1,044,000
	Investments and advances.....	15,931,000	19,379,000
	Real estate held for development and sale.....	81,954,000	71,762,000
	Operating properties, less accumulated depreciation.....	36,639,000	46,490,000
	Deferred charges and other assets.....	1,905,000	1,915,000
	Cost of acquired subsidiary in excess of book value of net assets.....	16,661,000	16,661,000
	Total Assets.....	\$278,469,000	\$192,523,000
Liabilities	Accounts payable and accrued liabilities.....	\$12,546,000	\$5,054,000
	Bonds, mortgages and notes payable (\$43,858,000 current).....	121,226,000	92,038,000
	Amounts payable to parent.....	13,916,000	6,395,000
	Deferred Federal and state income taxes.....	20,652,000	8,729,000
	Deferred credits and other liabilities.....	16,444,000	6,899,000
	Total Liabilities.....	184,784,000	119,115,000
Shareholders' Equity	Preferred Stock, Cumulative \$10 par value.....		
	Voting.....	31,896,000	32,022,000
	Nonvoting.....	5,000,000	3,000,000
	Common Stock—\$1 par value.....		
	Authorized: 2,100,000 shs., issued 1,801,053 shs.....	1,801,000	1,775,000
	Capital surplus.....	22,725,000	22,394,000
	Retained earnings.....	32,263,000	14,217,000
	Total Shareholders' Equity.....	93,685,000	73,408,000
	Total Liabilities and Shareholders' Equity.....	\$278,469,000	\$192,523,000

Notes: Great Southwest Corporation and its consolidated subsidiaries are included in the consolidated financial statements of Pennsylvania Company.
Macco Corp. merged into a wholly-owned subsidiary of Great Southwest Corp. in March, 1969. Since the transaction was accounted for as a pooling of interest, financial position and results of operations are presented as though the Companies had been combined for entire year of 1968; and comparative figures for 1967 have been restated to give effect to the merger for that year.

THE PITTSBURGH AND LAKE ERIE RAILROAD COMPANY

SUMMARY OF EARNINGS AND RETAINED EARNINGS

		Year Ended December 31	
		1968	1967
Current Earnings Income	Railway operating revenues.....	\$33,817,000	\$32,012,000
	Nonoperating income—net.....	1,651,000	1,112,000
	Total Income.....	35,468,000	33,124,000
Expenses	Railway operating expenses.....	31,069,000	28,898,000
	Railway taxes.....	2,527,000	3,320,000
	Equipment and joint facility rents—net credit.....	(17,909,000)	(17,787,000)
	Interest on debt.....	1,466,000	1,012,000
	Total Expenses.....	17,153,000	15,443,000
Earnings	Before Federal income taxes.....	18,315,000	17,681,000
	Federal income taxes.....	7,423,000	7,827,000
	For the year.....	10,892,000	9,854,000
NET EARNINGS Retained Earnings	From prior years.....	94,035,000	89,121,000
	Total Available.....	104,927,000	98,975,000
	Dividends.....	4,947,000	4,940,000
	Total Retained Earnings.....	\$99,980,000	\$94,035,000

CONDENSED BALANCE SHEET

		December 31	
		1968	1967
Assets	Cash and temporary cash investments.....	\$7,002,000	\$6,470,000
	Other current assets.....	9,371,000	8,707,000
	Investments and advances.....	15,197,000	14,103,000
	Properties, less accumulated depreciation.....	206,615,000	197,098,000
	Other assets and deferred charges.....	856,000	755,000
	Total Assets.....	\$239,041,000	\$227,133,000
Liabilities	Current Liabilities.....	\$17,776,000	\$19,897,000
	Debt due within one year.....	5,874,000	5,325,000
	Long term debt due after one year.....	23,398,000	19,504,000
	Deferred Federal income taxes.....	50,420,000	47,436,000
	Reserves, deferred credits and other liabilities.....	880,000	601,000
	Total Liabilities.....	98,348,000	92,763,000
Shareholders' Equity	Capital stock—\$50 par value.....		
	Authorized 900,000 shs., issued 730,776 shs., less 22,138 shs. in treasury (1967—25,138 treasury shs.)....	35,432,000	35,282,000
	Capital surplus.....	5,281,000	5,053,000
	Retained earnings.....	99,980,000	94,035,000
	Total Shareholders' Equity.....	140,693,000	134,370,000
	Total Liabilities and Shareholders' Equity.....	\$239,041,000	\$227,133,000

Note: The Pittsburgh and Lake Erie Railroad Company is included in the consolidated financial statements of Penn Central Company.